

Introduced by Senator Aanestad

February 24, 2006

An act to amend Section 1747.05 of the Civil Code, relating to credit cards.

LEGISLATIVE COUNSEL'S DIGEST

SB 1782, as introduced, Aanestad. Credit cards.

Existing state and federal law regulate financial institutions and the issuance of credit cards. Existing law prohibits issuance of a credit card except in response to an oral or written request or application, or as a renewal of or in substitution for, an accepted credit card.

This bill would make nonsubstantive, technical changes to these provisions.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1747.05 of the Civil Code is amended
2 to read:
3 1747.05. (a) ~~No~~ A credit card shall *not* be issued except:
4 (1) In response to an oral or written request or application
5 therefor.
6 (2) As a renewal of, or in substitution for, an accepted credit
7 card whether that card is issued by the same or a successor card
8 issuer.
9 (b) A credit card issued in substitution for an accepted credit
10 card may be issued only if the card issuer provides an activation
11 process whereby the cardholder is required to contact the card

1 issuer to activate the credit card prior to the first use of the credit
2 card in a credit transaction.
3 (c) This section does not prohibit the completion of an
4 overdraft protection advance or recurring-charge transaction that
5 a cardholder has previously authorized on an accepted credit
6 card.

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